

## Message Text

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ACTION SS-30

INFO OCT-01 ISO-00 SSO-00 /031 W  
----- 009490

O 021951Z DEC 73

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC IMMEDIATE NIACT 1946

S E C R E T SECTION 1 OF 2 CARACAS 10266/1

EXDIS

DEPARTMENT PASS BOGOTA EYES ONLY FOR DEPUTY ASSISTANT SECRETARY  
SCHLAUDEMAN

E.O. 11652: GDS

TAGS: MASS ESTC VE CU US

SUBJECT: VENEZUELAN SHIPS IN CUBA TRADE

REF: A. STATE 235702; B. CARACAS 10263; C. CARACAS 10264

1. I SAW FONMIN CALVANI BEFORE LUNCH TODAY AND IMPARTED  
SUBSTANCE OF PARAGRAPH ONE AND TWO IN REF A. AT FIRST, HE  
THOUGHT THAT MAIN IMPACT OF DEPARTMENT'S INQUIRY WAS ON  
BRINGING SUGAR FROM CUBA; BUT I POINTED OUT THAT UNDER LEGISLATION  
OF FAA 1961 OPERATIVE CLAUSE APPLIED TO THE FLAG OF SHIPS  
CARRYING CARGO FROM CUBA. IN OTHER WORDS, AS I READ STATUTE,  
MAIN POINT WAS THAT T-19 OR ANY OTHER VENEZUELAN FLAG VESSEL  
SHOULD NOT RPT NOT BRING CARGOES FROM CUBA OF ANY KIND;  
OTHERWISE, SANCTIONS PRESCRIBED BY ACT WOULD AUTOMATICALLY  
BE IMPOSED.

2. AT THIS POINT, I REPEATED MY MANY TIMES ASSERTED  
VIEW, BOTH IN THE UNITED STATES AND ABROAD, THAT WHAT I  
CALL "DIPLOMACY BY STATUTE" IS A PERNICIOUS THING.  
IN THIS IMMEDIATE CASE, WE HAD A TWELVE-YEAR-OLD  
LAW WHICH BOUND THE HANDS OF THE ADMINISTRATION UNDER  
CONDITIONS PERHAPS NOT THEN FORESEEN BY OUR CONGRESS. I TRUST  
THAT THIS MOST RECENT EXAMPLE OF THE DISABILITIES OF  
"DIPLOMACY BY STATUTE" WILL BE KEPT IN MIND BY THE H BUREAU  
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OF THE DEPARTMENT.

3. I AM GREATLY RELIEVED THAT SOME OF THE FEARS EXPRESSED  
REF B (E.G., PARAGRAPHS 3 AND 5) HAVE NOT REPEAT NOT

MATERIALIZED. CALVANI WAS TRANSPARENTLY SINCERE IN TELLING ME THAT, ALTHOUGH HE KNEW OF THE GENERAL TREND OF OUR EMBARGO ON CUBA, HE HAD UNTIL THIS MOMENT NO REPEAT NO IDEA THAT TRANSPORT BY A VENEZUELAN FLAG VESSEL WOULD IN FACT PROHIBIT FURTHER FOREIGN ASSISTANCE FUNDS AND PARTICULARLY MAP TRAINING FOR VENEZUELA.

4. IN CASTING ABOUT FOR IMMEDIATE ALTERNATIVES, WE DISCUSSED POSSIBILITY OF BRINGING THE 5,000 TONS OF CUBAN SUGAR BY COMMERCIAL TRANSPORT UNDER ANOTHER FLAG THAN THAT OF VENEZUELA. TO THIS, HOWEVER, CALVANI REPLIED THAT WE CONFRONTED A HIGHLY DELICATE SITUATION BECAUSE IF SUDDENLY ORDERS SHOULD BE ISSUED TO T-19 TO RETURN FROM CUBA WITHOUT CARGO, SPECULATION WOULD ARISE AS TO WHY THESE ORDERS HAD BEEN CANCELED. HERE I MUST ADMIT THAT FACT OUR NAVAL ATTACHE YESTERDAY QUERIED CHIEF OF VENEZUELAN OPS AS TO WHETHER T-19 HAD GONE TO CUBA TO LOAD SUGAR COULD EASILY BY JUNGLE TELEGRAPH GET AROUND THE COUNTRY THAT DIVERSION OF T19 WAS DUE TO U.S. PRESSURE. ALTHOUGH I DID NOT SO STATE TO CALVANI, HE AT ONCE GRASPED THE POINT AND SAID THAT WE WERE NOW HANDLING A VERY DELICATELY TICKING TIME BOMB. IMPORTATION OF SUGAR IS DIRECTLY LINKED TO VENEZUELAN ELECTIONS.

5. SEARCHING FURTHER FOR ALTERNATIVES, I ASKED IF IT MIGHT NOT BE POSSIBLE FOR VENEZUELA TO DIVERT T-19 TO SANTO DOMINGO TO LIFT THE 5,000 TONS OF SUGAR. HERE I SHOULD SAY THAT IT IS OBVIOUS THAT GOV WANT 5,000 TONS OF SUGAR FROM ANYWHERE BEFORE THE ELCTIONS, BUT NOT NECESSARILY CUBAN SUGAR. TO THIS, CALVANI RESPONDED THAT INDEED GOV HAD APPROACHED GOVERNMENT OF SANTO DOMINGO IN AN ATTEMPT TO SECURE SUGAR BUT HAD BEEN GIVEN THE ANSWER THAT IT WAS IN SHORT SUPPLY OWING TO OTHER DOMINICAN COMMITMENTS. CALVANI ADDED AS AN ASIDE THAT "THE PRESIDENT WAS PERPLEXED AS TO WHY HIS FRIEND BALAGUER COULD NOT BE MORE RESPONSIVE."

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6. I ADDED THAT MAYBE AS AN EMERGENCY MEASURE WE MIGHT BE ABLE TO PERSUADE PUERTO RICO TO MAKE AVAILABLE 5,000 TONS OF SUGAR.

7. THE ESSENTIALS IN THIS DELICATE PROBLEM ARE:

A. THAT UTMOST SECRECY BE MAINTAINED AS TO MOVEMENTS OF T-19 IN ORDER THAT WHATEVER CHANGE IN ITS ORDERS MAY NOT BECOME A FOOTBALL IN THE POLITICAL ARENA.

B. THAT U.S. MIGHT INDEED EXERT INFLUENCE ON PRESIDENT BALAGUER AS A STOPGAP AT LEAST TO PROVIDE 5,000 TONS OF SUGAR FOR WHICH PURPOSE T-19

COULD BE DIVERTED FROM ITS PRESENT VOYAGE TO CUBA AND  
PICK UP THE SAME AMOUNT OF SUGAR FOR PROMPT DELIVERY  
TO VENEZUELA BEFORE THE ELCTIONS.

C. THAT PUERTO RICAN ALTERNATIVE IS A POSSIBILITY  
BUT MIGHT, IF LINKED WITH REPORT OF UNDUE U.S. INTEREST,  
PROVE A BOOMERANG POLITICALLY IF WORD LEAKED OUT.

NOTE BY OC/T: NOT PASSED BOGOTA.

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ACTION SS-30

INFO OCT-01 ISO-00 SSO-00 ( ISO ) W

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O 021951Z DEC 73

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC IMMEDIATE NIACT 1947

S E C R E T SECTION 2 OF 2 CARACAS 10266/2

EXDIS

D. THE FINAL ALTERNATIVE WOULD BE TO PERSUADE  
GOV TO IMPORT ITS CUBAN SUGAR UNDER ANY OTHER  
FLAG THAN VENEZUELAN.

8. CALVANI SAID HE WOULD LIKE TO MULL THE PROBLEM OVER  
AND THAT HE FULLY COMPREHENDED HOW SEEMINGLY TRIVIAL  
AND FOOLISH EPISODES COULD GET OUT OF HAND. MY GUESS  
IS THAT WITH LEADS I GAVE HIM AND WITH HIS OWN KEEN LATIN  
MIND HE WILL COME UP WITH ACCEPTABLE ALTERNATIVE  
SUGGESTIONS. IN THIS, I AM HAPPY TO REPORT, CALVANI WILL  
PROBABLY FORMULATE HIS OWN LINE OF POLICY FOR APPROVAL BY  
PRESIDENT CALDERA BEFORE THE LATTER RETURNS TOMORROW NIGHT  
FROM ANOTHER ELECTION SWING AROUND THE COUNTRY. I SAW THE  
PRESIDENT THIS MORNING AT MAIQUETIA WHERE HE WAS OBVIOUSLY  
FLUSHED WITH PLEASURE AT SUCCESSFUL DEMONSTRATION OF THE  
C5A. HE SPENDS THE NIGHT ON THE ISLAND OF MARGARITA WHERE  
HE DEDICATES ANOTHER AIRPORT AND THEN, BEING IN SWING,  
GOES TOMORROW TO BARCELONA TO DEDICATE THIS THIRDIMPROVED  
AIRPORT IN THREE DAYS.

9. ACTION REQUESTED: IF DEPARTMENT CONCURS, IMMEDIATE  
REPRESENTATIONS TO PRESIDENT BALAGUER TO MAKE AVAILABLE  
5,000 TONS OF SUGAR TO BE LIFTED THIS WEEK BY T-19.  
FAILING THAT, PRESSURE ON AUTHORITIES OR PRIVATE COMPANIES  
IN PUERTO RICO TO MAKE AVAILABLE A SIMILAR AMOUNT OF  
SUGAR TO BE LIFTED BY T-19. THE SOONER I CAN INFORM CALVANI

OF OUTCOME OF THESE STEPS, THE BETTER.

MCCLINTOCK

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<< END OF DOCUMENT >>

## Message Attributes

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**Capture Date:** 10 MAY 1999  
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